

**NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
OCTOBER 16, 2014
HUDSON ROOM - 6TH FLOOR**

I Call to Order and Roll Call - 9:40 A.M.

A meeting of the New Jersey State Board of Accountancy was convened in accordance with the provisions of the Open Public Meetings Act. Pursuant to those provisions, the proper notifications were made to the Office of the Secretary of State, the Camden Courier-Post, the Trenton Times, the Asbury Park Press, the Record, and the Star-Ledger. Board President, John Dailey called the meeting to order at 9:40 a.m. The following roll call was taken:

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|--------------------------|---------|
| Richard C, Barlotta, PA | Present |
| Jorge A. Caballero, CPA | Excused |
| John F. Dailey, Jr., CPA | Present |
| Sara L. DeSmith, CPA | Present |
| Daniel J. Geltrude, CPA | Present |
| Dennis C. Meyerson, PA | Present |
| David J. Milkosky, CPA | Present |
| Harold Model, CPA | Present |
| Ainsley A. Reynolds, CPA | Present |
| Michael H. Runge, CPA | Present |

Also present at the meeting were Khaled Madin, Acting Executive Director; Tobey Palan, Deputy Attorney General, Melba Rodriguez, Secretarial Assistant; Marie Lisa, Staff; Brad Muniz, CPA, President, NJSCPA and David Plaskow, Editor, NJSCPA.

II Minutes of the Meeting of September 18, 2014

On a motion made by David Milkosky, seconded by Ainsley Reynolds, the Board voted to approve the September 18, 2014 Public Session minutes as amended. The vote of the Board was unanimous.

III President's Remarks

Board President Dailey had no report for the Board but did mention that Mr. Polito, who is always at the Board meetings is with his daughter who just had brain surgery and wanted everyone to keep them in their thoughts and prayers.

IV Acting Executive Director's Remarks

Acting Executive Director Madin thanked President Dailey and Ms. DeSmith for submitting their corrections which made the review of the minutes much easier.

Acting Executive Director Madin also informed the Board that a meeting will be held on Friday with the Division MIS department on the ALD project which will hopefully will be in play by the end of November 2014. As updates are provided, Acting Executive Director Madin will inform the Board.

V UNIFORM PENALTY LETTER IN LIEU OF FORMAL COMPLAINT FOR CPE AUDIT - RENEWAL PERIOD 2009-2011

A PAID PENALTY AND WILL MAKE UP CREDITS

1. Mary Byra - \$4,000 - paid
2. Agnes Marisa - \$3,000 - paid
3. Timothy G. Dolan - \$1,500 - paid
4. Dawn M. Bondar - \$1,500 - paid
5. Joanne Leonard - \$500.00 - paid
6. Laura A. Fiske - \$1,500 - paid

7. Edwin L. Taliaferro - \$4,000 - paid
8. Devang Parikh - \$500.00 - paid

On a motion made by Sara DeSmith, seconded by Ainsley Reynolds, the Board voted to inform Mr. Parikh that he has 60 days to successfully complete an approved NJ Law & Ethics course. When corresponding with Mr. Parikh, a copy of the approved ethics provider should be sent to him. The vote of the Board was unanimous.

9. Brian H. Knapp - \$2,500 - paid
10. Carlos B. Garcia - \$1,000 - paid
11. George Villano - \$500.00 - paid
12. Robert Cash - \$3,500 - paid

On a motion made by Ainsley Reynolds, seconded by Richard Barlotta, the Board voted to approve the paid penalties and the making up of the credits with the exception of Devang Parikh. The vote of the Board was unanimous.

B PAID PENALTY AND REQUESTED INACTIVE-PAID STATUS

1. Kevin M. Hickey - \$2,500 – paid
2. Michael Guidetti - \$8,000 - payments
3. James T. Crines - \$4,000 - paid
4. Leslie Humienny - \$8,000 - payments
5. Stephen Ippolito - \$1,500 - paid
6. Donald Almeida - \$500.00 - paid
7. David Shane - \$500.00 - paid
8. Megha Mody - \$4,000 - paid

9. Julie Hakim - \$3,000 - paid

On a motion made by Richard Barlotta, seconded by Daniel Geltrude, the Board voted to approve the paid penalties and requests for inactive-paid status. The vote of the Board was unanimous.

C REQUESTED VOLUNTARY SURRENDER

1. Lawrence P. Cafasso
2. Bryan J. Edmiston
3. David W. Dryerman

On a motion made by Daniel Geltrude, seconded by Michael Runge, the Board voted to approve the requests for voluntary surrender. The vote of the Board was unanimous.

D REQUESTED BOARD TO CONSIDER EXPLANATION

1. James Haddock

On a motion made by Sara DeSmith, seconded by Ainsley Reynolds, the Board voted to rescind the UPL issued. The vote of the Board was unanimous.

2. Denise Metro

This matter was moved to Executive Session for further review.

3. Mary Beth Lukie

On a motion made by Sara DeSmith, seconded by Harold Model, the Board voted to modify the UPL issued to \$3,000 and inform Ms. Lukie to make up 11.5 credits in Accounting and Auditing and 45 in Technical subjects. The vote of the Board was unanimous.

4. Anthony Cavallo

On a motion made by Michael Runge, seconded by David Milkosky, the Board voted to rescind the UPL issued. The vote of the Board was unanimous.

5. Ralph B. Bazilio

On a motion made by Ainsley Reynolds, seconded by David Milkosky, the Board voted to rescind the UPL issued. The vote of the Board was unanimous.

6. Danny M. Taveras

On a motion made by Sara DeSmith, seconded by Ainsley Reynolds, the Board voted to rescind the UPL issued. The vote of the Board was unanimous.

VI Committee Reports

A CPA Examination Committee

Harold Model had no report for the Board.

B Ethics Committee

Daniel Geltrude reported to the Board that the Committee received three courses for the current renewal period. The course provided by the NJ Office of the State Auditor was approved, Fraud Forces was not approved and Ms. Wilson was notified so that she may inform them of the Committee decision so that they may re-submit their course again. AMICPA will be approved once the minor changes have been made for the 2015-2017 renewal period.

On a motion made by Daniel Geltrude, seconded by David Milkosky, the voted to approve the recommendations of the Ethic Committee. The vote of the Board was eight voting in favor with John Dailey abstaining.

C CPE Committee

Daniel Geltrude had no report for the Board.

D RMA Committee

John Dailey reported to the that there are 2-3 weeks left before the RMA exam scheduled for December 5, 2014. President Dailey informed the Board that a vote is needed to approve those working on the RMA exam.

On a motion made by Michael Runge, seconded by Daniel Geltrude, the Board voted to approve Robert Cagnassola, CPA, RMA and former Board member,

Scott Clelland, CPA, RMA partner at Wiss & Company, and Mike Cesaro, managing partner at Bowman & Company to assist the grading of the RMA exam with President John Dailey supervising. The vote of the Board was unanimous.

E Peer Review Oversight Committee

Sara DeSmith, informed the Board that a meeting will be held following the Board meeting.

F Education Committee

Ainsley Reynolds reported to the Board that he attended the NJ Society of CPA Accounting Educator Meeting on October 3, 2014. Mr. Reynolds informed the Board that the meeting was very informative and that many topics were discussed. Mr. Reynolds reported that the NJSCPA gave out \$280,000 to 51 out of 87 students was awarded. The average scholarship award was \$5,500.

G Reciprocity Committee

Michael Runge, had no report for the Board.

H Nominating Committee

Dennis Meyerson had no report for the Board but the discussions should start sometime in December.

I Statute/Rules/Regulations Committee

Richard Barlotta

J Monitoring Profession Committee

David Milkosky, Chair

VII Public Comments

Brad Muniz, President of the NJSCPA and a partner with Sobel & Co. On behalf of our CEO & Executive Director, Ralph Albert Thomas, provided remarks regarding the Society's key dates and activities, as Ralph is traveling to the AICPA's Fall Council Meeting. Following are key/important dates for the Society:

- October 1st, 2014- NJSCPA Annual Career Night at the Pines Manor, Edison, 3-7pm
- October 3rd, 2014 Accounting Educators Update Meetings at Grant Thornton's new offices, 186 Wood Avenue Iselin, NJ. The meeting featured a presentation by Bill Ezzell, Past AICPA Chair and Co-Chair of the Pathways Commission.
- October 23rd-24th- NJSCPA New Jersey Major Firm Managing Partner Retreat at Crystal Springs Resort.
- December 5th- NJSCPA Board of Trustees Meeting and Annual Leadership Holiday Luncheon. Members of the Board and staff are all invited to the luncheon.
- June 10th-12th, 2015- NJSCPA Annual Convention and Expo at the Borgata in Atlantic City, NJ.

I would like to update members of the Board on the following NJSCPA activities:

In addition to monitoring the various bills regarding the reform of NJ's estate and inheritance taxes, the NJSCPA is also following the following bills: SJR61, which was proposed by Senator Pou and establishes a task force to study and make recommendations concerning the regulation of tax payers; [A 3624](#), which prohibits any state-funded contracts or development subsidies from being awarded to an "inverted domestic corporation," which is a company incorporated or previously incorporated in the United States that becomes incorporated in a foreign country or becomes a subsidiary of a corporation incorporated in a foreign country, primarily for the purpose of avoiding United States taxes; and A3688, which raises the gross revenue threshold for charities filing audited financial reports with the AG from \$500,000 to \$1 million. At the present time, the Society is in favor of reforming NJ's estate and inheritance taxes, and we are studying the other bills noted above.

On a National Level: There has been no change with regard to the profession's support of Mobile Workforce and opposition to the proposals to eliminate the cash basis of accounting for tax purposes for pass through entities.

The Profession and Society continue to support Mobile Workforce legislation, S1645.

The AICPA and the Society continue to oppose proposals being considered by Congress to eliminate the cash basis of accounting for tax reporting purposes for pass through entities. The Society, in tandem with the AICPA, has been successful in getting three members of the NJ Congressional delegation to sign a letter opposing the proposal to eliminate the cash basis of accounting. To date over 230 members of the House and approximately 45 Senators have signed on to letters in their respective House to oppose these proposals.

On a motion made by Ainsley Reynolds, seconded by Richard Barlotta, the Board voted to adjourn the Public Session meeting at 11:00 A.M. to reconvene in Executive Session to discuss the results of the Investigative Inquiry, UPL in Lieu of Formal Complaint for CPE 2009-2011, one matter of New Business, PCAOB reports and two Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

Khaled Madin
Acting Executive Director